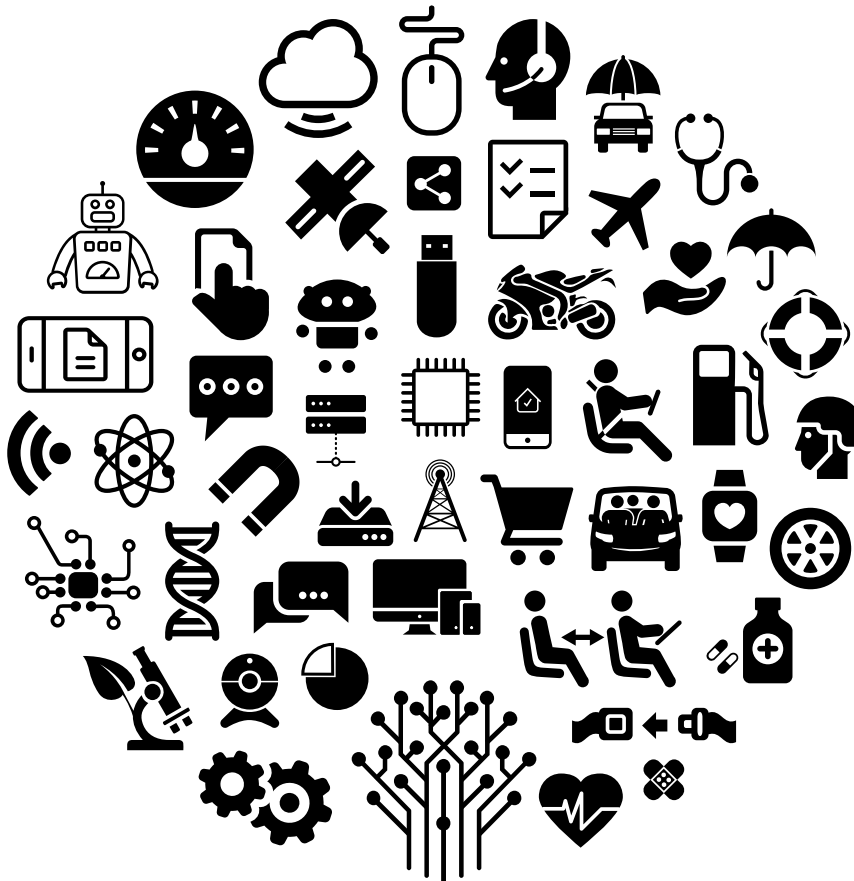


ACKO GENERAL INSURANCE LIMITED



POLICY ON STEWARDSHIP CODE

Version	2
Date of Board Approval	7 February 2018
Date of last review	17 February 2020

Background

- i. Insurance Regulatory Development Authority of India (IRDAI) vide reference no. IRDA/F&A/GDL/CMP/059/03/2017 has issued Guidelines on Stewardship Code for Insurers in India (Guidelines) on 22nd March, 2017. The IRDAI has also issued revised guidelines vide reference no. IRDAI/F&A/GDL/CPM/045/02/2020 dated 7 February, 2020.
- ii. IRDAI through these Guidelines has advised insurers to put in place, with the approval of the Board, a policy to discharge stewardship responsibilities with an aim to enhance and protect the value for the ultimate beneficiary or client.

Stewardship Activities

- i. Stewardship activities include monitoring and engaging with companies on matters such as strategy, performance, risk, capital structure, leadership effectiveness, succession planning, remuneration and corporate governance including culture, social and environment matters.
- ii. The policy may also decide to engage/intervene only selectively based on its extent or level of investment, in which case a threshold need be determined.
- iii. The policy should identify and manage conflicts of interest as to putting interests of client or beneficiary first.
- iv. The policy shall cover the collaboration with other Institutional investors, for larger engagement with the company, to safeguard interests of investors. The framework has to delve on independent judgment as regards voting decisions on resolutions and aim at promoting the overall growth of the investee companies and its investors.
- v. The Board shall ensure that there is effective oversight on the insurer's stewardship activities and a Committee of the Board entrusted with the compliance with corporate governance code shall exercise the same.

Acko General Insurance Limited's ("The Company") Policy for discharge of its stewardship responsibilities

Considering the guidelines issued by IRDAI to this effect, the following policy on the Stewardship Code (Policy) is brought out hereunder:

- i. The Company currently invests in fixed income/debt securities only and therefore the scope of the policy is restricted to the rights as investor in the fixed income instruments.
- ii. Equity investments, whenever it is approved by the Board, the Policy shall be applicable for such equity investments where the shareholding is above 2% of the paid-up share capital of the investee company.
- iii. The investments team shall monitor the investment strategy, performance (operational and financial), analyse at industry level, capital structure, leadership effectiveness, succession planning,

- remuneration and corporate governance, related party transactions, risks including culture, social and environment matters, shareholders rights and their grievances on all such companies.
- iv. Such engagement strategy shall be followed in an on-going basis, where needed, when specific notices are received from the companies in which an approval/voting is required. However, where the holding of the Company is less than 0.25%, the Company shall not participate in the voting.
 - v. The decision shall always be taken keeping the interests of beneficiaries/policy holders in mind and should aid the growth of the company and in turn its investors.
 - vi. The decision shall also be taken at times in collaboration with other institutional investors or insurance council, where the issue demands a larger engagement. However, ultimate decision shall be supported by internal research and analysis.
 - vii. All appointment of external agency shall be approved by Investment Committee.
 - viii. In respect of companies where the investments are lower than the threshold, it is expected that the engagement shall be minimum and decisions are taken on a need basis.
 - ix. In respect of investments into non-equity where such notices (as a debenture-holder) are received, approval shall be based on investment/policyholder's interests in mind.
 - x. The Company shall maintain a record of its voting in investee company resolutions and same shall be presented to Investment Committee on quarterly basis.
 - xi. The following shall be considered as scenario for conflict of interest (financial and non-financial), 1) voting in associate companies, 2) investee company is client/distributor of company, 3) common director among company and investee company.
 - xii. It is advised that the Company shall avoid investing in companies which shall result to any conflict of interest. In case, if any conflict of interest is identified, all decisions related to such investments shall be informed to Investment Committee in advance with rationale or the same shall be acted upon the suggestions of the Investment Committee depending on case to case basis.
 - xiii. While dealing with the investee company, the Company shall ensure compliance with the SEBI (Prohibition on Insider Trading) Regulations, 2015.
 - xiv. The Investment mid-office shall monitor, in coordination with Investment back-office, that the notices are received and the spirit of the policy is followed.
 - xv. The investment front-office shall be responsible for adherence and implementation of this Policy.
 - xvi. The Board through the Investment Committee shall ensure that there is effective oversight on the company's stewardship activities and compliance with the codes.
 - xvii. The Policy shall be updated on the company's website and will be fully complied with the code and regulatory compliance.
 - xviii. An annual report on the status of compliance with the Stewardship code, endorsed by Compliance Officer and approved by the Board shall be filed with the Authority before 30th June every year.
